

**IOWA DEPARTMENT OF COMMERCE
UTILITIES DIVISION**

MINUTES OF THE UTILITIES BOARD

A meeting was held on August 16, 2016, commencing at 9:02 a.m. in the Iowa Utilities Board Hearing Room, 1375 East Court Avenue, Des Moines, Iowa. Board Members attending were Chair Geri Huser, Board Member Libby Jacobs, and Board Member Nick Wagner.

Chair Huser asked if there was any discussion on the consent items and being none, the July 19, 2016, Board Meeting Minutes, Notification of Administrative Actions, and Notification of Board Orders were approved by unanimous consent.

Board Member Jacobs made a motion to approve an order requiring additional information and establishing a procedural schedule in Docket No. RPU-2016-0003, Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities' application to increase its natural gas revenues, Board Member Wagner seconded the motion, and the Board approved it unanimously. The Board also unanimously approved an order requiring additional information in Docket No. RPU-2016-0005, Interstate Power and Light Company's application for advance ratemaking principles for 500 megawatts of new wind generation, after Board Member Jacobs made a motion that was seconded by Board Member Wagner.

Stemming from the Board's comprehensive rules review, Board Member Jacobs moved, Board Member Wagner seconded, and the Board unanimously approved an order commencing a rule making in Docket No. RMU-2016-0010, Review of Tax Reform Revenue Adjustment Rules [199 Iowa Administrative Code 30] to remove rules related to Iowa Code § 476.8A, which was repealed in 1990.

The Board took no action on an order drafted to grant withdrawal without prejudice of Black Hills Energy's application for approval of participation in a proposed cost of service natural gas program, waiver request, and proposed tariff in Docket No. SPU-2015-0028. Board Member Wagner made a motion directing staff to draft a memo detailing the various options for the Board to move forward with this docket, Board Member Jacobs seconded the motion, and the Board approved it unanimously.

Board Member Jacobs made a motion to approve an order requiring additional information from Iowa American Water Company in Docket No. RPU-2016-0002, which Board Member Wagner seconded and the Board unanimously approved. The Board also unanimously voted to have Board General Counsel staff prepare an order regarding Property Management Group's motion to stay the Board's decision in Docket No. FCU-2015-0001, Property Management Group, LLC v. Black Hills Energy. Board Member Jacobs made the motion and Board Member Wagner seconded the motion.

Board Member Jacobs moved, Board Member Wagner seconded the motion, and the Board unanimously approved an order in Docket No. TF-2016-0012, Interstate Power and Light Company's proposed revisions to its natural gas tariff relating to customer advance payments for construction of gas distribution main extensions.

The Board unanimously approved three orders granting preliminary eligibility as renewable energy facilities in Iowa. Board Member Jacobs moved and Board Member Wagner seconded separate motions to approve orders in Docket Nos. AEP-2016-0034, Harrison County Rural Electric Cooperative; AEP-2016-0049, Prairie Energy Cooperative; and Docket No. AEP-2016-0050, Franklin Rural Electric Cooperative. The Board also unanimously approved an order granting modification of electric service area boundaries of MidAmerican Energy Company and Linn County Rural Electric Cooperative in Johnson County, Iowa, in Docket No. SPU-2015-0016. Board Member Jacobs made the motion and Board Member Wagner seconded it.

Board Member Jacobs moved and Board Member Wagner seconded the motion to approve the prudence review of Black Hills Energy's energy efficiency plan in Docket No. EEP-2008-0003. Board staff was directed to prepare an order outlining the decision.

Deputy Executive Secretary Judi Cooper presented the agency monthly financial report and dual party relay budget report. Cooper noted the agency's fiscal year 2017 budget will include one-time additional increases of \$400,000 to improve the Board's electronic filing system and \$250,000 to redesign portions of the Iowa Utilities Board/Office of Consumer Advocate Building. Chief Operating Officer Cecil Wright presented updated information on the continuing review of Board rules. Wright also discussed notification of informational meetings and Board processes for natural gas pipelines and electric transmission lines.

Board General Counsel Lynch updated the Board on issues related to the Dakota Access, LLC crude oil pipeline in Docket No. HLP-2014-0001. Lynch noted six complaints related to the docket, three of which he stated had been resolved and three that were in the process of being resolved. Lynch stated that the Docket No. HLP-2014-0001 legal appeals had been consolidated into one court case in Polk County District Court with oral argument on a motion for stay scheduled for August 19, 2016.

Wright, Lynch, and Board staff Tara Ganpat-Puffett presented staff's response to Dr. Kirk Nelson's comments to the Board and Board staff about substantial cost differences for his alternative energy systems with energy utility service from different providers in Iowa. Lynch noted it was determined the rates and charges causing most of his concerns are not under Board authority. Board member Jacobs recommended staff inform Mr. Nelson of the areas that are not under Board jurisdiction and also refer him to the Iowa Legislature. Consumer Advocate Mark Schuling commented to the Board about means to better handle the work flow related to the Board's continuing rules review process. Chair Huser directed Chief Operating Officer Wright to meet with Schuling to discuss the matter.

Board Member Wagner made a motion, seconded by Board Member Jacobs, for the Board to go into closed session for further deliberations in Docket Nos. FCU-2015-0008 and WRU-2015-0035-0272, Office of Consumer Advocate v. CenturyLink Communications, LLC pursuant to Iowa Code § 21.5(1)(f) (2016). A roll call vote was taken and Chair Huser voted aye, Board Member Jacobs voted aye, and Board Member Wagner voted aye.

Board Member Wagner made a motion, seconded by Board Member Jacobs, for the Board to go into closed session for further deliberations in Docket No. HLP-2014-0001, Dakota Access, LLC, pursuant to Iowa Code §§ 21.5(1)(c) and (f) (2016). A roll call vote was taken and Chair Huser voted aye, Board Member Jacobs voted aye, and Board Member Wagner voted aye.

Chair Huser announced that the Board's next monthly meeting would be held on September 20, 2016. The meeting adjourned at 10:40 a.m. Recorded by Rob Hillesland.

Approved at the September 20, 2016, Board meeting.

UTILITIES BOARD

Chair

ATTEST:

Executive Secretary, Designee